

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3384

ANSWERED ON:13.08.2001

FREIGHT CHARGES OF AIR INDIA AND INDIAN AIRLINES

T. GOVINDAN

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government have adopted any criteria while increasing or decreasing the freight charges of Air India/Indian Airlines in certain sectors;

(b) if so, the details thereof; and

(c) the level upto which these charges in fare helped in making them profitable?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c):- No, Sir, The freight charges of Air India/Indian Airlines are determined by the Airlines themselves based on market forces of supply and demand. In the International sector, with more and more capacity being added due to the 'Open Sky Policy' adopted by the Government, the Market has become extremely competitive and therefore, freighter charges fluctuate due to demand & supply.

In the domestic sector, Cargo rates in Indian Airlines are increased/decreased corresponding to the increase in the passenger fares. Various operational costs viz. fuel, navigational charges, parking and landing charges etc. are taken into account for revisions in the passenger fare and corresponding increase in the freight charges. In the year 1998, passenger fare/freight charges were revised on all sectors of Indian Airlines, except north-eastern sectors and category II routes. Recently, however, a decision has been taken to maintain the levels of the freight charges after the introduction of flexi fare policy. The revenue from Cargo carriage constitutes about 5% of the total revenue earnings of Indian Airlines & about 10% in Air India.